



Pylons of high-tension electricity power lines are seen next to a coal-fired thermal power plant outside the town of Ekibastuz, Kazakhstan on November 7, 2021.

PHOTO: REUTERS/FILE

# Green transition slowed by economic barriers, not technology

REUTERS, London

The big shifts in thinking and large-scale funding needed to drive a swift global transition to a climate-smart economy are far behind schedule, even if most of the technology required already exists, political officials and analysts have warned.

About \$9.2 trillion will have to be spent just on new energy infrastructure and changes in land use and agriculture each year through 2050, up from \$5.7 trillion today, researchers at consulting firm McKinsey & Company said on Tuesday.

That \$3.5-trillion annual increase is equivalent to half of global corporate profits, a quarter of total tax revenue and 7 per cent of household spending in 2020, they said in a report intended as a "call for action".

"Effectively we are planning to rebuild an economy that took one to two centuries to build in the next three decades," said Dickon Pinner, the global leader of McKinsey Sustainability and one of the report's authors. "Something of that magnitude - the scale and speed

- is under-appreciated," he added.

But winning public acceptance for climate-protecting shifts - including among affected workers and those paying energy bills - and managing them in a way that avoids a backlash may be as big a task as raising new finance.

A renewable energy economy must expand at the same pace as the fossil-fuel economy contracts to keep jobs and energy prices stable, Pinner told the Thomson Reuters Foundation.

"If you don't get that right, the chances of volatility, supply shortages, price increases and shocks to the system get that much greater," he said in a phone interview.

About 90 per cent of the global economy is now covered by pledges to cut climate-changing emissions to net-zero by around mid-century, according to the non-profit Net Zero Tracker.

But turning those pledges into action will be a far harder challenge, requiring stepped-up global cooperation, stronger monitoring, more finance and ensuring vulnerable people are not left behind in the process.

"No one is moving fast enough. The

world has to really pick up the pace," US climate envoy John Kerry told an online World Economic Forum (WEF) event last week, calling for a "dramatic shift in how governments are behaving, how the world is behaving".

Fatih Birol, executive director of the International Energy Agency, said the roughly \$1 trillion invested each year in clean energy, carbon capture technology and energy efficiency needed to rise to about \$3 trillion a year.

Transforming energy systems fast enough will be "very, very difficult but not impossible", he said, adding the only other choice is more extreme weather and other deadly climate impacts.

But while the risks of climate inaction are becoming increasingly clear as floods, wildfires, storms, droughts and heatwaves surge, the emissions driving them continue to rise, noted UN Secretary-General Antonio Guterres.

Scientists say greenhouse gas emissions must fall 45 per cent by 2030 to stay on track for net-zero targets - but instead are set to increase by 14 per cent, "defying reason", Guterres said.

"Turning this ship around will

take immense willpower," he told a separate WEF event. Another problem is fundamental disagreement about the right path to achieving climate aims.

The energy minister for oil-rich Saudi Arabia emphasised last week that his country sees capturing emissions from fossil fuels - not eliminating their use - as the way forward.

"It should be left to all countries to pick their fitting choice," said Prince Abdulaziz bin Salman.

Vicki Hollub, CEO of Occidental Petroleum, said her company, like others, was seeking ways to "abate" emissions from oil and gas, and invest in facilities to suck carbon dioxide (CO2) directly from the air.

"We all realise climate change is real, it's going to happen, it's happening today and things need to be done to ensure we mitigate it," she said during a WEF event.

But researchers say that while the technology exists to capture and store or utilise carbon emissions from power plants or from the air, it remains expensive and far too little capacity is being built to meet demand.

## Paramount Textile logs higher profits

STAR BUSINESS REPORT

Paramount Textile's shares fell yesterday despite reporting a higher profit in the first half of the financial year.

It made a profit of Tk 48 crore in the July to December period, against Tk 37 crore in the same period a year ago. As a result, earnings per share rose to Tk 2.97 from Tk 2.32.

The company's share, however, dropped 1.41 per cent to Tk 98.10 on the Dhaka Stock Exchange yesterday.

The textile company informed that its board of directors had decided to issue 15 crore fully redeemable, non-convertible, and cumulative preference shares to raise around Tk 150 crore, according to a regulatory filing posted on the website of the DSE.

It would be issued at face value of Tk 10 at par through private placement among potential investors. The proceeds will be used to finance the upcoming project expansion and to pay off a portion of high-cost short-term loan facilities.

The shares will be fully redeemable within five years. The dividend will be paid semi-annually on an arrear basis at a fixed rate, the disclosure added.

## Experts urge local manufacturers to focus on energy savings

STAR BUSINESS REPORT

Local electronics appliance industries should focus on manufacturing environment-friendly and energy saving products to reduce carbon emissions while energy-efficiency standards should be imposed on imports, said experts recently.

The country's overall export earnings, especially the sale of domestic electronics appliances, are now on the rise, said AHM Ahsan, vice-chairman of the Export Promotion Bureau (EPB) according to a press release.

"Its good news for us that local products have already created a potential market for exports. This export potential needs to be harnessed through eco-friendly, improved quality, energy-saving and innovative technology appliance production," he said presiding over a seminar.

The seminar, "Global warming challenges and achievements of Bangladesh's electronics appliance sector" was jointly organised by the EPB and Walton Hi-Tech Industries at Bangabandhu Bangladesh-China Friendship Exhibition Center at Purbachal on Monday.

Noor A Alam, deputy managing director of Elite Hi-Tech Industries, said they were taking steps to produce energy saving, environmentally friendly appliances locally.

But since most of the imported air conditioners and refrigerators have low energy efficiency, steps taken by the local industries to protect the environment will not come to benefit, he said.

So energy-efficiency standards should be imposed on imported products, he said.

Tapash Kumar Mojumder, chief of Walton Hi-Tech's Research and Innovation, said it was possible to manufacture electronics products capable of high energy savings through research and innovation.

## Marketing going beyond

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This involves the approach taken to persuade people. These can range from trying to appeal to their emotions to presenting a well-defined set of reasons as to why one product/service is better than the other.

For example, Coca-Cola's marketing strategy of "Open Happiness" relied on appealing to people's sense of nostalgia and memories associated with childhood.

On the other hand, toothpaste advertisements often highlight the differentiating factors between themselves and other competitors as it is often an unemotional decision.

All these strategies must be consistent with the positioning of the product in the market relative to others. The public relations department must also ensure a constant message goes out to people regarding the strategy the team is focusing on.

All of this must have a plan which develops the framework the rest relies on.

Measurements: Without the ability to measure the efforts of marketing, different strategies cannot be effectively evaluated. Thus, it is necessary to measure the impact of marketing on the entire firm instead of just a few products.

Similarly, it is necessary that the correct brand building activities are undertaken. These include the partnerships that the

company enters and the power that the company can gain/utilise in the market.

All of these would affect the perception of the brand in the market and this perception would define where the product is placed and how best to take advantage of this positioning.

Behaviours: This is an evolution to the classical strategies in marketing. Once we go beyond the classic strategies, we would need to consider the effect of psychology in the overall strategy of the company.

The positivity of the company's message, the passion with which the message is delivered as well as the passion of the professionals in doing their jobs plays a major role in how your marketing strategy must be developed.

Each of the specific strategies outlined within the 4 buckets identified above could be expanded and gone into far more detail.

However, the application of any of these strategies must take place under the umbrella of a formal framework that focuses on the long-term goal of the company and acts in a way to maximise the effectiveness of the message to people.

The goal of this article has not been to delve into the 20Ps as it would get too long and the book by David Pearson does an admirable job of explaining the strategies.

The objective of this article has been the introduction of the 20Ps to the Bangladeshi market so that the state of marketing in our country evolves further and is continuously revisited.

All these strategies challenge marketers to think in more specific ways about the message they are sending and the benefits to their brand.

My boss at ANZ Bangladesh, David Robinson, who never attended any business school, used to say, "marketing is to buy (buy relationship, buy long term receivables, buy client loyalty and so on) and selling is to get rid of what you have".

One needs to think many times before repositioning their products even in a dynamic market like Bangladesh.

*The author is a partner at PwC and occasionally teaches marketing at business schools. The views expressed here are his own.*

## Stock turnover

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telecom faced corrections, according to UCB Stock Brokerage.

Chittagong Stock Exchange (CSE) also rose yesterday. The Caspi, the main index of the bourse of the port city, went up 83 points, or 0.42 per cent, to 20,635.

Among 295 stocks to undergo trade, 146 went up, 118 down and 31 remained unchanged.

## Bangladesh Finance to avail Nagad services

STAR BUSINESS DESK

Bangladesh Finance and Nagad signed an agreement recently facilitating the non-banking financial institution's digital transaction services through the mobile financial service provider.

The services include opening of savings accounts, deposit collections, SME loan disbursements, loan installment collections and loan disbursements, says a press release.

Md Kyser Hamid, managing director of Bangladesh Finance, and Rahel Ahmed, chief executive officer of Nagad, signed the deal at the former's head office at Dilkusha, Dhaka on Monday.

Md Sajjadur Rahman Bhuiyan, group CFO of Bangladesh Finance, Md Rafiqul Amin, head of operations, Sheikh Aminur Rahman, chief marketing officer of Nagad, Md Saidur Rahman Dipu, head of business sales, and Md Bayezid, head of insurance and non-banking financial information, were present.

## Magnito Digital, bKash in service exchange deal

STAR BUSINESS DESK

Magnito Digital and bKash recently signed an agreement for the digital marketing firm to handle the mobile financial service platform's related social media communications in exchange for money transfer services via mobile phones.

Magnito Digital manages digital products and services and creates content for major brands such as Grameenphone, Hero MotoCorp Bangladesh, Fresh, British American Tobacco Bangladesh and Syngenta, says a press release.

## Singapore tightens monetary policy on inflation risks

REUTERS, Singapore

Singapore's central bank tightened its monetary policy settings on Tuesday in its first out-of-cycle move in seven years, as global supply constraints and brisk economic demand elevate inflation pressures across the region.

The city-state's trade-dependent economy is highly susceptible to swings in global inflation and the central bank's sudden move comes as price pressures ring alarm bells for policymakers elsewhere in Asia.

Selena Ling, head of treasury research and strategy at OCBC, said she expects the central bank to tighten again in April, describing Tuesday's move as only a "slight tightening."

"If they had announced a more aggressive tightening today, then that would have dampened expectations for April," she said.

The Monetary Authority of Singapore (MAS), which manages monetary policy through exchange rate settings, said it would slightly raise the rate of appreciation of its policy band.



Kazi Akram Uddin Ahmed, chairman of Standard Bank, and Khondoker Rashed Maqsood, managing director, received a certificate and trophy at Annual Global Economics Awards Ceremony at Shangri-la Hotel in Dubai recently. Ahmed was awarded as "Best Entrepreneur in Banking Sector in Bangladesh" and Standard Bank as the "Best Bank for Sustainable Business Transformation in Bangladesh" by London-based financial publication The Global Economics.

PHOTO: STANDARD BANK